



**BOARD OF EQUALIZATION  
LEGISLATIVE COMMITTEE MEETING AGENDA  
HONORABLE JUDY CHU, CHAIRWOMAN  
450 N STREET, SACRAMENTO, ROOM 121  
APRIL 8, 2008 9:30 AM**

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**----- Agenda -----**

**I. 2008 LEGISLATIVE PROPOSALS**

**BUSINESS TAXES  
SALES AND USE TAXES**

**2008 Legislative Proposals**

Set forth below is a suggestion for Sales and Use Taxes legislation to be sponsored by the Board in the second year of the 2007-2008 Legislative Session (see attachments).

**Suggestion  
Number**

**3-7 Repeal Section 7076.5 of the Sales and Use Tax Law to delete the January 1, 2009 sunset date of the Managed Audit Program and thereby extend the program indefinitely.**

Source: Sales and Use Tax Department

Revenue Impact: Potential \$260,000 annual net revenue increase, depending on level of participation.

## II. 2008 LEGISLATIVE BILLS

### A. Discussion Item: Update and status of bills containing Board-sponsored provisions.

	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
1.	<a href="#">AB 0010c</a>	Budgets	02/15/08	Use Tax: Vehicles, Vessels, and Aircraft: 12 month Test	Assembly Floor – failed
2.	<a href="#">AB 1012</a>	Calderon	01/07/08	Property Tax: Disabled Veterans' Exemption cleanup	Senate Revenue and Taxation
3.	<a href="#">AB 1895</a>	Silva	02/07/08	Sales Tax: Statute of Limitations: Corporate Officer Liability	Assembly Appropriations
4.	<a href="#">AB 1901</a>	Silva	02/07/08	Business Taxes: One day Interest for Late Payment	Assembly Appropriations
5.	<a href="#">AB 1919</a>	Silva	02/08/08	Sales Tax: Navy and Marine Thrift Store Exemption	Assembly Appropriations
6.	<a href="#">AB 1926</a>	Horton	02/12/08	Business Taxes: Interest Equalization	Assembly Revenue and Taxation – 4/7
7.	<a href="#">AB 1957</a>	Eng	03/25/08	Use Tax: Report on FTB return	Assembly Revenue and Taxation – 4/14
8.	<a href="#">AB 2047</a>	Horton	02/19/08	Business Taxes: Offers in Compromise	Assembly Revenue and Taxation – 4/7
9.	<a href="#">AB 3009</a>	Brownley	02/22/08	Sales Tax: Consumer: Itinerant Vendors	Assembly Revenue and Taxation – 5/5
10.	<a href="#">AB 3079</a>	AR&T	03/13/08	Business Tax Proposals: <ul style="list-style-type: none"> <li>• Info Sharing: Department of Industrial Relations</li> <li>• Use Tax: In-state Purchasers: Statute of Limitations</li> <li>• Fuel: Train Operator Informational Returns</li> </ul>	Introduced

	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
11.	<a href="#">SB 0008c</a>	Budgets	02/13/08	Use Tax: Vehicles, Vessels, and Aircraft: 12 month Test	Assembly Floor - failed
12.	<a href="#">SB 1450</a>	Dutton	02/21/08	Sales Tax: Navy and Marine Thrift Store Exemption	Senate Revenue and Taxation
13.	<a href="#">SB 1495</a>	Kehoe	02/12/08	Property Tax: Disaster: Disabled Veterans' Exemption	Senate Revenue and Taxation – 4/9
14.	<a href="#">SB 1777</a>	SR&T	03/12/08	Property Tax Omnibus Bill: <ul style="list-style-type: none"> <li>• Disabled Veterans' Exemption cleanup</li> <li>• Cost-effective Annual Boat Reassessment</li> <li>• Code reference correction</li> <li>• PCOR: Remove detail from statute</li> <li>• On-line Appraiser Continuing Education</li> <li>• Disaster: Base Year Value Transfers</li> <li>• Exemptions: Property Leased to Public Schools</li> </ul>	Introduced

Board Meetings: Place of Meetings

**B. Discussion Item: Update and status of bills of interest to the Board.**

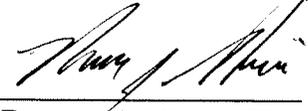
	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
1.	<a href="#">AB 1839</a>	Calderon	01/24/08	BT: SUT: Deletes the provisions that allow an affiliate of a retailer, or lender to claim a bad debt deduction for sales tax reported and paid by a retailer on transactions held by a lender that are determined to be uncollectible.	Assembly Revenue and Taxation – 4/14

	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
2.	<a href="#">AB 1840</a>	Calderon	01/24/08	BT: SUT: Specifies that a "retailer engaged in business in this state" means any retailer that has substantial nexus with this state for purposes of the commerce clause of the United States Constitution and any retailer upon whom federal law permits this state to impose a use tax collection duty.	Assembly Revenue and Taxation
3.	<a href="#">AB 1956</a>	Calderon	03/24/08	BT: SUT: Requires the Board to submit a report to the Legislature on transactions involving digital property within this state that includes, among other things, a proposed regulation that would provide that sales of digital property are subject to tax for purposes of the Sales and Use Tax Law.	Assembly Revenue and Taxation – 4/14
4.	<a href="#">AB 2297</a>	Saldana	02/21/08	BT: BOE to calculate the revenue impact of reclassifying any alcoholic beverage from beer to a distilled spirit.	Assembly Governmental Organization – 4/9
5.	<a href="#">AB 2461</a>	Davis	02/21/08	PT: Split Roll: Revenue Study. Requires the Board to conduct a study to determine the amount of revenue that would be generated if "nonresidential commercial property" had been reassessed at its fair market value in the prior year.	Assembly Revenue and Taxation – 4/14

	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
6.	<a href="#">AB 2568</a>	Houston	02/22/08	PT: Disabled Veterans' Exemption: 100% Exemption. Exempts the home of any person eligible for the disabled veterans' exemption.	Assembly Revenue and Taxation – 5/5
7.	<a href="#">AB 2579</a>	Niello	02/22/08	PT: Base Year Value Transfers. Related to the "one time only" limitation, allows each spouse to make a separate one-time claim.	Assembly Revenue and Taxation – 4/14
8.	<a href="#">AB 3035</a>	Huffman	02/22/08	PT: Welfare Exemption: Supplemental Assessment. Expands the grace period to qualify for the welfare exemption on newly purchased property from 90 to 180 days.	Assembly Revenue and Taxation – 4/28
9.	<a href="#">SB 0153</a> <a href="#">Amendments</a>	Migden	As proposed	PT: Change in Ownership Exclusion: Co-owners Death. Creates a change in ownership exclusion for the transfer of an interest in a home from the decedent to the surviving co-owner. In the case of other types of co-owned property, limits the exclusion to \$500,000 of assessed value.	Pending

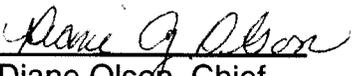
	<u>Bill No</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
10.	<a href="#">SB 1098</a>	Migden	03/11/08	BT: SUT: Among other things, provide amnesty for unpaid tax, interest and penalties on any sales of tangible personal property by a medical cannabis dispensary, as defined, prior to October 1, 2005 if the dispensary applies for relief by March 31, 2009 and begins prospective compliance with the Sales and Use Tax Law, as specified.	Senate Revenue and Taxation – 4/9

Approved:   
Ms. Judy Chu, Chair  
Board Legislative Committee

  
Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the April 8, 2008 Board Meeting

  
Diane Olson, Chief  
Board Proceedings Division

April 8, 2008